

Company: Southern California Gas Company (U 904 G)
Proceeding: 2024 General Rate Case
Application: A.22-05-015/-016 (cons.)
Exhibit: SCG-214

REBUTTAL TESTIMONY OF
DANIEL J. RENDLER
(CUSTOMER SERVICES – FIELD AND ADVANCED METER OPERATIONS)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA



May 2023

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1 **REBUTTAL TESTIMONY OF**
2 **DANIEL J. RENDLER**
3 **(CUSTOMER SERVICES – FIELD AND ADVANCED METER OPERATIONS)**

4 **I. SUMMARY OF DIFFERENCES**

5 **Table DR-1**

TOTAL O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SOCALGAS	179,937	211,330	31,393
CAL ADVOCATES	179,937	201,922	21,985
TURN	179,937	182,497	2,560

6 **II. INTRODUCTION**

7 This rebuttal testimony, regarding Sothern California Gas Company's (SoCalGas) request
8 for Customer Services Field and Advanced Meter Operations (CSF&AMO), addresses the
9 testimony from the following parties:

- 10 • The Public Advocates Office of the California Public Utilities
11 Commission (Cal Advocates) as submitted by Mariana Campbell
12 (Exhibit (Ex.) CA-10), dated March 2023.
- 13 • The Utility Reform Network (TURN), as submitted by David Cheng
14 (Ex. TURN-09), dated March 2023.

15 As a preliminary matter, the absence of a response to any particular issue in this rebuttal
16 testimony does not imply or constitute agreement by SoCalGas with the proposal or contention
17 made by these or other parties. The forecasts contained in SoCalGas's direct testimony,
18 performed at the activity level, are based on sound estimates of its revenue requirements at the
19 time of testimony preparation.

20 The forecasts presented in SoCalGas's direct testimony Ex. SCG-14-R support
21 SoCalGas's goal of providing safe, reliable, and efficient gas service to customers, as well as
22 complying with federal, state, local and California Public Utilities Commission (Commission or
23 CPUC) regulations. The CSF&AMO cost forecasts also support SoCalGas's focus on safety,
24 continuous improvement, and customer experience. SoCalGas requests the Commission adopt
25 its Test Year 2024 (TY 2024) General Rate Case (GRC) forecast of \$211.3 million for
26 Operations and Maintenance (O&M) expenses which is composed of \$209.7 million for non-
27 shared service activities and \$1.6 million for shared service activities. These forecasts were

1 based on historical spending and consideration of future work that is reasonably expected.
2 SoCalGas remains committed to investing in its employees and support services that mitigate
3 risks associated with safety. These commitments require CSF&AMO to respond to regulations,
4 implement changes to business processes, increase data analysis, update technology to
5 synchronize with business process changes, and adequately train employees to implement
6 changes in work processes and technology.

7 CSF&AMO provides rebuttal testimony to address issues, positions and
8 recommendations raised by the following parties:

9 **A. Cal Advocates**

10 The following is a summary of Cal Advocates' position on CSF&AMO:¹

- 11 • Cal Advocates does not take issue with SoCalGas's Test Year
12 forecasts for four of the six Non-Shared cost categories: CSF
13 Supervision, CSF Support, CSF Dispatch, and CSF Meter Set
14 Assembly Inspection and does not oppose SoCalGas's request.
- 15 • Cal Advocates does not take issue with SoCalGas's Test Year
16 forecast for Shared Service cost category: Staff Manager and finds
17 SoCalGas's forecast reasonable.
- 18 • Cal Advocates does not take issue with the business justifications
19 for SoCalGas's Information Technology (IT)-related Capital
20 Projects
- 21 • Cal Advocates takes issue with SoCalGas's Test Year forecasts for
22 Non-Shared costs categories: CSF Operations, Advanced Meter
23 Operations.

¹ March 27, 2023, Public Advocates Office Report on the Results of Operations for San Diego Gas & Electric Company Southern California Gas Company Test Year 2024 General Rate Case SCG and SDG&E Customer Service, Ex. CA-10 (Campbell).

1 **B. TURN**

2 The following is a summary of TURN’s position on CSF&AMO:²

- 3 • For CSF&AMO Non-Shared cost categories, TURN proposes a
- 4 TY 2024 funding level of \$180,881 which is less than SoCalGas’s
- 5 forecast of \$209,713.
- 6 • Recommends that the Commission reject the proposed Portable
- 7 Automated Centralized Electronic Retrieval System (PACER)
- 8 Workforce Management (WFM) Replacement Project, and that the
- 9 associated capital dollars be removed from the GRC.

10 **III. GENERAL REBUTTAL**

11 **A. Parties’ Recommended Reductions**

12 SoCalGas’s forecasts reflect sound judgement and represent the impact from regulatory
13 expectations to continuously provide safe, compliant, resilient, reliable, and cost-effective energy
14 infrastructure. The TY 2024 recommendations made by Cal Advocates and TURN are
15 incomplete, unreasonable, and would not allow SoCalGas to complete existing and expected
16 CSF&AMO activities appropriately through this GRC cycle. Cal Advocates and TURN ignore
17 ongoing work and future activities described in SoCalGas’s revised direct testimony. SoCalGas
18 analyzed each cost category and associated drivers to determine future expectations and
19 associated cost forecasts necessary to operate in the future environment that this General Rate
20 Case examines.

21 **B. Base year (BY) 2021 Forecast Methodology**

22 Cal Advocates does not take issue with SoCalGas utilizing BY 2021 as a starting point
23 for forecasting TY 2024 except for one Cost Category.³

24 TURN disagreed with SoCalGas utilizing BY 2021 as a starting point for forecasting TY
25 2024 expenses. TURN recommends using multi-year averages instead of BY 2021 and focuses
26 the majority of their testimony discussing the CSF Operations Cost Category.⁴

² March 27, 2023, Prepared Direct Testimony of David Cheng Addressing Customer Services for Southern California Gas Company and San Diego Gas & Electric on behalf of TURN, Ex. TURN-09.

³ Ex. CA-10 (Campbell) at 18:19-19:2.

⁴ Ex. TURN-09 (Cheng) at 7:15-8:5.

1 CSF&AMO selected BY 2021 as the forecast starting point for shared and non-shared
2 activities. Each shared and non-shared cost activity was evaluated independently to make this
3 determination. Reasoning for each cost category can be found in CSF&AMO direct testimony
4 (Ex. SCG-14-R) in the “Forecast Method” section of each cost category.

5 Using multi-year averages as a starting point would not be appropriate as certain
6 activities were not fully represented prior to BY 2021.⁵ In some cost categories, CSF&AMO
7 were able to achieve staffing levels appropriate to provide the necessary training, assessments,
8 management, and administrative support in BY 2021. Historical data, current information, and
9 anticipated future activities were carefully considered when determining the forecast starting
10 point. Incremental funding requests were added to the base year forecast to determine total
11 funding requirements necessary for CSF&AMO cost categories. Each of TURN’s recommended
12 multi-year averages utilizes 2022 adjusted-recorded data, without providing any compelling
13 evidence or reasoning to show that 2022 recorded costs are more indicative of TY2024 costs and
14 conditions. Specifically, TURN’s proposed reduction was based upon SoCalGas’s adjusted
15 recorded actuals from 2018-2022, which ignores the fact that 2022 actuals were not available for
16 forecasting purposes at the time SoCalGas’s testimony was developed. TURN does not provide
17 sufficient evidence or other reasons to show that recorded costs in 2022 are more indicative of
18 costs and conditions for TY2024.

19 **C. ORDER VOLUME FORECAST – Operations Cost Category, Workpaper**
20 **2FC001.000**

21 SoCalGas’s incremental O&M Expense request for Customer Services Field (CSF)
22 Operations Cost Category was determined based on the Order Volume Forecast. “Cal Advocates
23 TY 2024 estimate includes substantial incremental funding of \$23.097 million for Personal
24 Protective Equipment (PPE), Field Employee Training, Safety Related Field Orders, and Order
25 volume.”⁶ Cal Advocates’ recommendation to include SoCalGas’s incremental funding of
26 \$23.097 million indicates that Cal Advocates does not dispute SoCalGas’s Order Volume
27 Forecast.

28 TURN disagrees with SoCalGas’s Order Volume Forecast. TURN states that “when one
29 examines the estimated order volumes used to project the O&M costs, it is evident that SoCalGas

⁵ Ex. SCG-14-R (Rendler) at 18:4-7.

⁶ Ex. CA-10 (Campbell) at 19:2-4.

1 forecasted record high order volumes in select categories without providing any reasonable
2 support, even though the volume has not been increasing over the years.”⁷ SoCalGas disagrees
3 with TURN. TURN has made incorrect assumptions and misunderstands SoCalGas’s Order
4 Volume Forecast.

5 Work order volumes are the primary driver of costs for CSF&AMO’s largest cost
6 category request: CSF Operations Cost Category – 2FC001.000. SoCalGas reviewed each order
7 type and determined whether the order was affected or not affected by the COVID-19 pandemic.
8 A description of each order type and whether the order type was COVID-19-impacted was
9 included in Appendix C of the testimony (Ex. SCG-14-R).

10 SoCalGas performed a comprehensive review of historical order volumes and chose the
11 method that best represents future activity. COVID-19-impacted orders were forecasted using
12 2019 historical order volumes. Non-COVID-19-impacted orders were forecasted using BY 2021
13 historical order volumes. Determining whether orders were COVID-19-impacted was
14 foundational to the order volume forecast. Internally, some processes were temporarily modified
15 to support COVID-19 measures for social distancing and unnecessary contact. Externally, some
16 orders were impacted by policy decisions, such as a CPUC-mandated moratorium on collection
17 activity and disconnections, and by customers, who may not have called SoCalGas for routine
18 service during the pandemic. Although several methodologies were examined, SoCalGas chose
19 to represent future order volume based on a starting point of 2019 or 2021 depending on the
20 impact of the COVID-19 pandemic on the specific order type.

⁷ TURN-09 (Cheng) at 5:17-20.

1 **IV. REBUTTAL TO PARTIES' O&M PROPOSALS**

2 **A. Non-Shared Services O&M**

3 **Table DR-2**

NON-SHARED O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SOCALGAS	178,545	209,713	31,168
CAL ADVOCATES	178,545	200,305	21,760
TURN	178,545	180,880	2,335

4 **1. CSF Operations Cost Category – Workpaper 2FC001.000**

5 **a. Cal Advocates**

6 **Table DR-3**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	Cal Advocates
CSF Operations	2FC001.000	129,221	124,401

7 Cal Advocates did not agree with SoCalGas's forecast for CSF Operations Cost Category
8 – Workpaper 2FC001.000. "Cal Advocates utilized SoCalGas's 2019 total recorded expenses of
9 \$101.304 million as a basis to calculate its forecast"⁸ instead of SoCalGas's decision to use
10 BY 2021 recorded-adjusted costs of \$106.124 million. Cal Advocates does not dispute
11 SoCalGas's TY 2024 Incremental O&M Expenses of \$23.097 million for CSF Operations.

12 SoCalGas disagrees with Cal Advocates' recommended TY 2024 forecast of \$124.401
13 million.⁹ Cal Advocates' decision to utilize 2019 recorded expenses does not include
14 adjustments, vacation & sick, and escalation to 2021 dollars.¹⁰ Applying the 2019 recorded-
15 adjusted totals in constant 2021 dollars which include adjustments, vacation & sick and
16 escalation nets a total of \$125.857 million. Adding SoCalGas's TY 2024 incremental O&M

⁸ Ex. CA-10 (Campbell) at 18:19-19:2.

⁹ SoCalGas notes that Cal Advocates presented two different totals in their testimony. SoCalGas is responding to \$124.401 million Cal Advocates recommends for CSF Operations Cost Category – Workpaper 2FC001.000

¹⁰ Ex. SCG-14-WP-R (Rendler) at 10.

1 expenses of \$23.097 million, which Cal Advocates does not dispute, would result in a TY 2024
 2 forecast of \$148.954 million.

3 The Commission should adopt SoCalGas’s TY 2024 forecast of \$129.221 million as
 4 reasonable for CSF Operations Cost Category – Workpaper 2FC001.000.

5 **b. TURN**

6 **Table DR-4**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	TURN
CSF Operations	2FC001.000	129,221	114,203

7 TURN did not agree with SoCalGas’s forecast for CSF Operations Cost Category –
 8 Workpaper 2FC001.000. TURN takes issue with the Test Year O&M forecast for a \$23.097
 9 million increase from BY 2021 in the CSF Operations Cost Category. TURN states, “The
 10 Commission should reject SoCalGas’s COVID-19 argument because during those years, it
 11 pocketed the reduced O&M costs as earnings for shareholders, which allowed Sempra to achieve
 12 record profits.”¹¹ TURN believes that the most appropriate forecast would be a five-year
 13 historical average (2018-2022) to determine a recommended TY 2024 forecast of \$114.203
 14 million.

15 SoCalGas disagrees with TURN’s recommended TY 2024 forecast. SoCalGas utilized
 16 BY 2021 as the starting point for the forecast as three-, four-, and five-year averages netted
 17 greater totals than utilizing \$106.124 million BY 2021.

18 **Table DR-5**

CSF Operations – Workpaper 2FC001.000		
Constant 2021 (\$000)		
Forecast Methodology Starting Point	Years	Total
5-YEAR AVERAGE	2017-2021	118,117
5-YEAR AVERAGE	2018-2022	114,203
4-YEAR AVERAGE	2018-2021	115,578
4-YEAR AVERAGE	2019-2022	112,479
3-YEAR AVERAGE	2019-2021	113,738
3-YEAR AVERAGE	2020-2022	108,020
BASE YEAR 2021	2021	106,124

¹¹ Ex. TURN-09 (Cheng) at 5:9-12.

1 As mentioned in section III.C. above, “Order Volume Forecast,” SoCalGas performed an
2 exhaustive review of historical order volumes and chose the method that best represents future
3 activity. COVID-19-impacted orders were forecasted using 2019 historical order volumes. Non-
4 COVID-19-impacted orders were forecasted using BY 2021 historical order volumes. As had
5 been done in prior GRC requests, SoCalGas elected not to escalate the order volumes based on
6 the active meter forecast for TY 2024. Instead, only order types forecasted using 2019 (COVID-
7 19-impacted) were escalated to the actual active meter forecast in BY 2021. Incremental funding
8 requests are then added to the base year to determine total funding requests.

9 SoCalGas disagrees with TURN “that even SoCalGas’ own analysis shows that its
10 requested increase in spending for Customer Services Field and Advanced Meter Operations is
11 for some of the least cost-effective programs that SoCalGas has proposed in this GRC.”¹⁴ TURN
12 cites Risk Spend Efficiency (RSE) scores for Risk Assessment Mitigation Phase (RAMP)
13 activities, “Field Employee Skills Training” and “Safety Related Field Orders.”¹⁵

14 SoCalGas believes that activities such as formalized mandatory training which includes
15 classroom and situational field exercises to educate employees on safety processes and field
16 technicians responding to orders that are specifically safety related and pertain to system
17 integrity (gas leak), appliance safety (carbon monoxide, service establishment and other
18 appliance orders), and customer awareness (soft close notification) are fundamental to
19 SoCalGas’s request. Priority was given to these safety risks when developing the TY 2024
20 funding request. Please see Ex. SCG-203 for further discussion related to RSE Scores.¹⁶

21 In addition to the testimony provided in Exhibit SCG-14-R, SoCalGas provided
22 substantial support for the TY 2024 funding requests. The Workpapers, Ex. SCG-14-WP-R,
23 pages 5-81, provide details for the CSF Operations Cost Category. Excel files with calculated
24 formulas were also provided for supplemental workpapers which detail how funding requests
25 were determined.¹⁷

26 Finally, on the notion of SoCalGas not being allowed to consider COVID-19 impacts,
27 SoCalGas believes TURN has erred in its argument. TURN fails to understand if SoCalGas

¹⁴ Ex. TURN-09 (Cheng) at 6:18-7:1.

¹⁵ *Id.* at 6:18-7:8.

¹⁶ Ex. SCG-203 (Pearson/Flores) at Section III.

¹⁷ Ex. SCG-14-WP-R at 28-81.

1 spends less than the GRC-authorized amount for a certain activity, that does not necessarily
 2 mean that the difference is “earnings for shareholders.” GRC authorized O&M funding can also
 3 be reprioritized to fund other company activities unless they are required to be tracked separately
 4 in a regulatory account and used for a specific purpose. Further, the GRC process does not
 5 account for year-over-year variability, hence years where SoCalGas eclipses its O&M funding, it
 6 gets offset in years funding is not fully utilized. SoCalGas has provided clear and convincing
 7 evidence and the Commission should adopt SoCalGas’s forecast as reasonable for CSF
 8 Operations Cost Category – Workpaper 2FC001.000.

9 **2. CSF Supervision Cost Category – Workpaper 2FC002.000**

10 **a. Cal Advocates**

11 **Table DR-8**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	Cal Advocates
CSF Supervision	2FC002.000	12,104	12,104

12 Cal Advocates agreed with SoCalGas’s forecast for CSF Supervision Cost Category –
 13 Workpaper 2FC002.000.¹⁸ The Commission should adopt SoCalGas’s forecast as reasonable.

14 **b. TURN**

15 **Table DR-9**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	TURN
CSF Supervision	2FC002.000	12,104	12,076

16 TURN did not agree with SoCalGas’s \$12.104 million TY 2024 forecast for CSF
 17 Supervision Cost Category – Workpaper 2FC002.000. TURN utilized a five-year historical
 18 average to determine a TY 2024 forecast of \$12.076 million and did not present a clear argument
 19 or evidence to support the basis for this forecasting decision.¹⁹

20 SoCalGas added incremental funding requests to the \$12.007 million BY 2021 total to
 21 determine a total funding request of \$12.104 million. SoCalGas’s use of the base year forecast

¹⁸ Ex. CA-10 (Campbell) at 17:14-18:6.

¹⁹ Ex. TURN-09 (Cheng) at 8:1.

1 methodology for CSF Supervision TY 2024 estimated expenses is consistent with SoCalGas's
 2 methodology for estimating CSF operational expenses. As discussed above, SoCalGas used
 3 BY 2021 to forecast order volumes and associated CSF workforce. The CSF supervision
 4 forecast was based on maintaining the field employee to supervisor ratio of twelve-to-one and
 5 was applied to the CSF workforce forecast derived from the base year forecast methodology. A
 6 twelve-to-one ratio is reasonable given the geographic area covered by each operating base and
 7 the importance of supervisors spending as much time as possible with employees in the field,
 8 providing safety and work process coaching.

9 SoCalGas disagrees with TURN's five-year historical average forecast recommendation.
 10 SoCalGas's base year forecast methodology has been consistently applied to CSF functions and
 11 is the most appropriate to forecast TY 2024. TURN's recommended disallowance of \$0.028
 12 million for CSF supervision should be rejected, and the Commission should adopt SoCalGas's
 13 forecast as reasonable for CSF Supervision Cost Category – Workpaper 2FC002.000.

14 **3. CSF Support Cost Category – Workpaper 2FC003.000**

15 **a. Cal Advocates**

16 **Table DR-10**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	Cal Advocates
CSF Support	2FC003.000	14,385	14,385

17 Cal Advocates agreed with SoCalGas's forecast for CSF Support Cost Category –
 18 Workpaper 2FC003.000.²⁰ SoCalGas has demonstrated that its forecasting assumptions are
 19 reasonable and justified. The Commission should adopt SoCalGas's forecast as reasonable.

20 **b. TURN**

21 **Table DR-11**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	TURN
CSF Support	2FC003.000	14,385	12,079

²⁰ Ex. CA-10 (Campbell) at 17:14-18:6.

1 TURN did not agree with SoCalGas’s forecast for CSF Support Cost Category –
2 Workpaper 2FC003.000. TURN utilized a five-year historical average to determine a TY 2024
3 forecast of \$12.079 million and did not present a clear argument or evidence for this forecasting
4 decision.²¹ SoCalGas utilized BY 2021 total of \$12.706 million as the starting point to
5 determine the TY 2024 forecast. Incremental funding requests were then added to the base year
6 to determine a total funding request of \$14.385 million. The Workpapers, Ex. SCG-14-WP-R,
7 pages 95-111, provide details for the CSF Support Cost Category. Excel files with calculated
8 formulas were also provided for supplemental workpapers which detail how incremental requests
9 were determined.²²

10 SoCalGas disagrees with TURN’s TY 2024 five-year average forecast recommendation.
11 SoCalGas’s base year forecast methodology has been consistently applied to CSF functions and
12 is the most appropriate to forecast TY 2024. TURN did not provide any justification as to why
13 SoCalGas’s methodology should be rejected. Further, TURN ignores SoCalGas’s demonstrated
14 incremental resource requirements made in the direct testimony (Ex. SCG-14-R) supporting
15 Centralized Training, Field Instruction and Quality Assurance Staffing required to provide the
16 necessary training, assessments, management, and administrative support for Customer Services
17 Field in TY 2024. SoCalGas has provided Excel files with calculated formulas for supplemental
18 workpapers which detail how incremental requests were determined. SoCalGas has justified the
19 resource requirements needed through the workpapers, Exhibit SCG-14-WP-R, pages 95-111,
20 and provided details for the CSF Support Cost Category. The CSF Support Cost Category
21 supports Classroom Instruction, Field Instruction and Quality Assurance. TY 2024 includes
22 increases from BY 2021 to add personnel. If the Commission accepts TURN’s recommendation,
23 decreased funding would impact SoCalGas’s ability to put qualified personnel in the field and be
24 sure the personnel receive the proper instruction to operate safely in the field.

25 TURN’s recommended disallowance of \$2.306 million for Support Cost Category should
26 be rejected, and the Commission should adopt SoCalGas’s forecast as reasonable for CSF
27 Support Cost Category – Workpaper 2FC003.000.

²¹ Ex. TURN-09 (Cheng) at 8:1.

²² Ex. SCG-14-WP-R at 108-111.

1 **4. CSF Dispatch Cost Category – Workpaper 2FC004.000**

2 **a. Cal Advocates**

3 **Table DR-12**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	Cal Advocates
CSF Dispatch	2FC004.000	14,091	14,091

4 Cal Advocates agreed with SoCalGas’s forecast for CSF Dispatch Cost Category –
5 Workpaper 2FC004.000.²³ SoCalGas has demonstrated that its forecasting assumptions are
6 reasonable and justified. The Commission should adopt SoCalGas’s forecast as reasonable.

7 **b. TURN**

8 **Table DR-13**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	TURN
CSF Dispatch	2FC004.000	14,091	13,173

9 TURN did not agree with SoCalGas’s forecast for CSF Dispatch Cost Category –
10 Workpaper 2FC004.000. TURN utilized a five-year historical average to determine a TY 2024
11 forecast of \$13.173 million and did not present a clear argument or evidence to support the basis
12 for this forecasting decision.²⁴ SoCalGas utilized BY 2021 total of \$14.066 million as the
13 starting point to determine the TY 2024 forecast. Incremental funding requests were then added
14 to the base year to determine a total funding request of \$14.091 million.

15 SoCalGas disagrees with TURN’s TY 2024 forecast recommendation. Utilizing a five-
16 year historical average is not representative of the current organization or the organization’s
17 future needs. SoCalGas’s base year forecast methodology has been consistently applied to CSF
18 functions whereas TURN’s five-year forecast methodology is selective and arbitrary. SoCalGas
19 determined that BY 2021 was the most appropriate starting point to forecast TY 2024 as CSF
20 Dispatch achieved staffing levels necessary to provide 24/7, 365 days per year coverage in BY
21 2021. CSF Dispatch costs are primarily driven by the labor required to train new employees and

²³ Ex. CA-10 (Campbell) at 17:14-18:6.

²⁴ Ex. TURN-09 (Cheng) at 8:1.

1 maintain a technically skilled and proficient workforce. Further, TURN did not provide any
 2 justification as to why SoCalGas’s methodology should be rejected. Because TURN’s proposed
 3 forecast of \$13.173 million for TY 2024 is selective and arbitrary, TURN’s recommended
 4 disallowance of \$0.918 million for CSF Dispatch Cost Category should be rejected and the
 5 Commission should adopt SoCalGas’s TY 2024 forecast of \$14.091 million as reasonable for
 6 CSF Dispatch Cost Category.

7 **5. CSF Meter Set Assembly (MSA) Inspection Cost Category –**
 8 **Workpaper 2FC005.000**

9 **a. Cal Advocates**

10 **Table DR-14**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	Cal Advocates
CSF MSA Inspection	2FC005.000	25,710	25,710

11 Cal Advocates agreed with SoCalGas’s forecast for CSF MSA Inspection Cost Category
 12 – Workpaper 2FC005.000.²⁵ SoCalGas has demonstrated that its forecasting assumptions are
 13 reasonable and justified. The Commission should adopt SoCalGas’s forecast as reasonable.

14 **b. TURN**

15 **Table DR-15**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	TURN
CSF MSA Inspection	2FC005.000	25,710	21,324

16 TURN did not agree with SoCalGas’s forecast for CSF MSA Inspection Cost Category –
 17 Workpaper 2FC005.000. TURN utilized a five-year historical average to determine a TY 2024
 18 forecast of \$21.324 million and did not present a clear argument or evidence for the decision to
 19 use this forecasting methodology.²⁶ SoCalGas utilized BY 2021 total of \$25.320 million as the
 20 starting point to determine the TY 2024 forecast. Incremental funding to reflect the full year
 21 salaries for the Scheduling Team and Field Instruction positions that were vacant at various

²⁵ Ex. CA-10 (Campbell) at 17:14-18:6.

²⁶ Ex. TURN-09 (Cheng) at 8:1.

1 points during BY 2021 was then added to the base year to determine a total funding request of
2 \$25.710 million. SoCalGas submitted Supplemental Workpaper Ex. SCG-14-WP-2FC005 CSF
3 Meter Set Assembly Inspection (MSAI) Supplemental Workpaper 1 which further justifies the
4 requested incremental funding.

5 SoCalGas disagrees with TURN’s TY 2024 forecast recommendation. Utilizing a five-
6 year historical average is not representative of the current organization or to complete anticipated
7 future activities. SoCalGas’s base year forecast methodology has been consistently applied to
8 CSF functions. SoCalGas determined that BY 2021 was the most appropriate starting point to
9 forecast TY 2024 as CSF MSA Inspection achieved staffing levels necessary to perform onsite
10 inspections of above-ground piping facilities for atmospheric corrosion in BY 2021 as required
11 by the Department of Transportation Code of Federal Regulations (CFR) Title 49 §192.481.²⁷ for
12 the nearly 6 million gas meters in SoCalGas’s service territory. Costs of the MSA Inspection
13 Program are 100% RAMP-related costs.

14 TURN did not raise objections to any specific issue with the methodology SoCalGas used
15 to develop its TY 2024 forecast. Consequently, SoCalGas has demonstrated that its forecast is
16 reasonable and justified. TURN’s recommended disallowance of \$4.386 million for CSF MSA
17 Inspection should be rejected and the Commission should adopt SoCalGas’s forecast as
18 reasonable for CSF MSA Inspection Cost Category – Workpaper 2FC005.000.

19 **6. Advanced Meter Operations Cost Category – Workpaper 2FC006.000**

20 **a. Cal Advocates**

21 **Table DR-16**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	Cal Advocates
Advanced Meter Operations	2FC006.000	14,202	9,614

22 Cal Advocates agrees with SoCalGas’s labor request for TY 2024 of \$5.610 million for
23 Advanced Meter Operations Cost Category – Workpaper 2FC006.000. Cal Advocates disagrees
24 with SoCalGas’s non-labor request of \$8.591 million.²⁸

²⁷ 49 CFR § 192.481 (“Atmospheric corrosion control: Monitoring”).

²⁸ Ex. CA-10 (Campbell) at 21:14-16.

Cal Advocates recommended a TY 2024 forecast of \$9.614 million which is \$4.588 million less than SoCalGas’s TY 2024 request of \$14.202 million. Cal Advocates states that SoCalGas’s forecast for non-labor expenses is not adequately justified, and states the forecast is a sizable increase over the recent recorded.²⁹ SoCalGas disagrees with Cal Advocates’ decision not to include SoCalGas’s incremental non-labor requests. SoCalGas has provided substantial justification in the direct testimony, workpapers and supplemental workpapers. The following chart summarizes SoCalGas’s incremental non labor request for TY 2024:

Table DR-17

Advanced Meter Operations Cost Category 2FC006.000 – Non-Labor Supplemental Workpapers SCG-14-WP-R			
Testimony Page and Bullet #	Supplemental Workpaper	Non- Labor (\$000)	Non-Labor Description
DJR-34 #4	SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 1A: Decision Analysis SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 1B: Warranty Enhancement Requirements	4,450	Non-Labor Supporting Meter Transmission Unit (MTU) Warranty Payments
DJR-35 #5	SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 2	29	DCU Extended Maintenance Payments
DJR-37 #8	SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 5	(139)	Data Collection Unit (DCU) Inspections
DJR-37 #9	SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 6	6	Non-Labor for Positions hired in Q2 of 2022 to Fill Behind Vacancies in the Analytics Development Organization
DJR-37 #10	SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 7	353	Non-Labor to Support Consumption Analytics Applications Estimated to Start in Q2 of 2024
DJR-38 #12	SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 9	(95)	Non-labor to Support Positions Vacant at Various Points During 2021 to Support Work Order Management Systems
DJR-39 #13	SCG-14-WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 10	4	Non-Labor Systems Support for DevOps Tasks in the Analytics Maintenance Organization Estimated to Start in Q2 2023
		4,610	

As described in the chart above, SoCalGas is requesting \$4.4 million in incremental non labor funding for an MTU Warranty, which makes up the bulk of the \$4.6 million incremental non labor request. The MTU warranty is required to extend the warranty for MTUs so that

²⁹ Ex. CA-10 (Campbell) at 23:8-10.

1 SoCalGas will maintain the full parts credit and reinstate the labor reimbursement. The MTU
 2 warranty is necessary as a bridge until SoCalGas undertakes a full replacement of the MTUs
 3 beginning in the next GRC cycle. SoCalGas provided supplemental workpaper 1A (SCG-14-
 4 WP-2FC006 CSF Advanced Meter Operations Supplemental Workpaper 1A: Decision Analysis)
 5 where SoCalGas discusses the analysis of the meter failure rates. In addition to workpaper 1A,
 6 SoCalGas submitted supplemental workpaper 1B (SCG-14-WP-2FC006 CSF Advanced Meter
 7 Operations Supplemental Workpaper 1B: Warranty Enhancement Requirements) analyzing the
 8 scenarios and describing the financial impact if SoCalGas does not obtain the MTU Warranty.
 9 Specifically, SoCalGas explained in Workpaper 1A and calculated in Workpaper 1B if the
 10 Company does not receive approval for the \$4.4 million incremental funding to enhance the
 11 MTU Warranty then the risk of the projected MTU failure rate will shift from the vendor to the
 12 customer.³⁰

13 SoCalGas urges the Commission to consider the facts regarding the requirement of the
 14 MTU Warranty for meters that are approaching (or have reached) the end of their useful life.
 15 SoCalGas has justified the resource requirements and provided details for the MTU Warranty in
 16 workpapers. SoCalGas requests that the Commission reject Cal Advocates' recommendation and
 17 adopt SoCalGas's \$4.6 million forecast for incremental Advanced Meter Operations non-labor
 18 costs.

19 **b. TURN**

20 **Table DR-18**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	TURN
Advanced Meter Operations	2FC006.000	14,202	8,025

21 TURN did not agree with SoCalGas's forecast for Advanced Meter Operations Cost
 22 Category – Workpaper 2FC006.000. TURN utilized a four-year historical average to determine
 23 a TY 2024 forecast of \$8.025 million and did not present a clear argument or evidence for the
 24 decision to use this forecasting methodology.³¹ SoCalGas utilized BY 2021 total of \$8.323

³⁰ Ex. SCG-14-WP-R (Rendler) at 144-148.

³¹ Ex. TURN-09 (Cheng) at 8:1.

1 million as the starting point to determine the TY 2024 forecast. Incremental funding requests
2 were then added to the base year to determine a total funding request of \$14.202 million.

3 SoCalGas disagrees with TURN’s TY 2024 forecast recommendation. TURN did not
4 provide any justification as to why SoCalGas’s methodology should be rejected. SoCalGas
5 determined that BY 2021 was the most appropriate starting point to forecast TY 2024. Expenses
6 for this cost category began in 2019 and utilizing a four-year historical average is not
7 representative of the current organization, especially for a rather new organization. SoCalGas
8 believes using the base year, the most current year available when the forecast was created, plus
9 incremental costs representing anticipated future activities is a more complete method of
10 forecasting the test year expenses. The Commission should adopt SoCalGas’s forecast as
11 reasonable for Advanced Meter Operations Cost Category – Workpaper 2FC006.000.

12 **B. Shared Services O&M**

13 **Table DR-19**

SHARED O&M - Constant 2021 (\$000)			
	Base Year 2021	Test Year 2024	Change
SOCALGAS	1,393	1,617	224
CAL ADVOCATES	1,393	1,617	224
TURN	1,393	1,617	224

14 **1. Staff Manager Cost Category – Workpaper 2200-0942.000**

15 **a. Cal Advocates**

16 **Table DR-20**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	Cal Advocates
CS Staff Manager	2200-0942.000	1,617	1,617

17 Cal Advocates does not take issue with SoCalGas’s TY 2024 request for CSF&AMO
18 Shared Services cost category. “Cal Advocates reviewed SCG’s testimony, workpapers, data
19 request responses, and historical expense level for this work category and the forecast is
20 reasonable.”³²

³² Ex. CA-10 (Campbell) at 24:7-9.

1 SoCalGas has demonstrated that its forecasting assumptions are reasonable and justified.
2 The Commission should adopt SoCalGas’s forecast as reasonable.

3 **b. TURN**

4 **Table DR-21**

TY 2024 Forecast - Constant 2021 (\$000)			
Workpaper Group Name	Workpaper	SoCalGas	TURN
CS Staff Manager	2200-0942.000	1,617	1,617

5 TURN does not address CSF&AMO’s TY 2024 request for Shared Services in intervenor
6 testimony (TURN-09).

7 SoCalGas has demonstrated that its forecasting assumptions are reasonable and justified.
8 The Commission should adopt SoCalGas’s forecast as reasonable.

9 **V. REBUTTAL TO PARTIES’ CAPITAL PROPOSALS**

10 **A. PACER Workforce Management (WFM) Replacement Project**

11 **1. Cal Advocates**

12 Cal Advocates does not take issue with the business justifications for SoCalGas’s
13 Information Technology (IT)-related Capital Projects for Customer Services Field and Advanced
14 Meter Operations.³³

15 SoCalGas has demonstrated that its business justifications are reasonable and justified.
16 The Commission should adopt SoCalGas’s forecast as reasonable.

17 **2. TURN**

18 TURN takes issue with SoCalGas’s business justification for the PACER WFM
19 Replacement Project. TURN claims that “There is no business case, no cost-benefit analysis,
20 and no quantification of potential benefits.”³⁴ TURN requests that “the Commission should
21 reject the proposed PACER WFM Replacement Project, and the associated capital dollars should
22 be removed from the GRC -- \$7.024 million in 2022, \$11.907 million in 2023, and \$13.773
23 million in 2024.”³⁵

³³ *Id.* at 25:12-14.

³⁴ Ex. TURN-09 (Cheng) at 9:2-3.

³⁵ Ex. TURN-09 (Cheng) at 10:3-5.

1 The PACER WFM mainframe is fundamental to daily SoCalGas customer and field
2 operations. The mainframe is a central system of Customer Service Field Operations driving
3 what field work can be done, by whom and when. The current mainframe is 30-years old and is
4 reaching (or has reached) end of life. Specifically, without the PACER WFM, SoCalGas could
5 not enable required business and regulatory changes, drive potential workforce efficiency and
6 safety, provide insights and actions, support premier customer service and employee experience,
7 and empower the customer service business. As a safety responsible public utility, it is essential
8 to have insight into analytic data to serve SoCalGas’s customers. Customer requested service
9 orders, combined with Company initiated maintenance, ensuring timely response to high priority
10 incidents, requires a modern workforce management system and platform. The PACER WFM
11 provides insight into the nearest service representative, the type of skill level needed to service
12 the request, and enables the Field Representative, Dispatch Office, and often the Customer
13 Contact Center to be aware of all field service activities. More importantly, if the PACER WFM
14 were not available, customer field service orders could not be scheduled and routed to field
15 technicians. Customer service fielded orders would no longer be managed electronically and
16 would revert to a manual, paper-based, mobile phone or radio dispatch process. All
17 effectiveness, efficiencies, and scheduling functions would not be available.

18 TURN submitted a data request to SoCalGas on March 23, 2023, seeking SoCalGas’s
19 Business Case in support of the PACER WFM Replacement Project. SoCalGas responded on
20 April 6, 2023, providing the Business Case which contains the Cost-Benefit Analysis, Board
21 Authorization for the project, and Work Order Authorization detailing the estimates and funding
22 approvals.³⁶ As such, SoCalGas believes it has met the burden of proof to replace its PACER
23 WFM mainframe so that the utility can continue to successfully schedule and dispatch field
24 personnel. At risk if the PACER WFM is not funded are impacts to SoCalGas’s ability to serve
25 its customers. SoCalGas urges the Commission to consider the facts regarding this 30-year-old
26 central system of Customer Service Field Operations that is approaching (or has reached) the end
27 of its useful life.

³⁶ See Appendix B for SoCalGas response to TURN-SEU-063.

1 SoCalGas requests that the Commission reject TURN's recommendation and adopt
2 SoCalGas's capital forecast associated with the PACER WFM Replacement Project found in the
3 direct testimony and capital workpapers associated with Ex. SCG-21-R.³⁷

4 **VI. CONCLUSION**

5 To summarize, SoCalGas respectfully requests the Commission adopt a TY 2024 forecast
6 of \$211.330 million for CSF&AMO O&M expenses, which is composed of \$209.713 million for
7 non-shared service activities and \$1.617 million for shared service activities as well as the
8 reasonableness review and capital requests.

9 SoCalGas's revised direct testimony, workpapers and responses to data requests provide
10 substantial justification for the Commission to authorize SoCalGas's CSF&AMO's request in
11 full.

12 It is important to note the following overall observations:

- 13 • SoCalGas's BY 2021 forecast methodology used as a starting point for TY
14 2024 forecasts were determined after careful analysis of the past, current,
15 and future cost drivers/activities. The incremental work activities not
16 reflected in the BY forecast were added to adequately fund future
17 operations and conditions and to support the mitigation of key RAMP
18 risks.
- 19 • TURN's reductions are based on incorrect assumptions and a
20 misunderstanding of SoCalGas's forecast:
 - 21 ○ Use of multi-year historical averages to forecast TY 2024 that do
22 not include current or future activities.
 - 23 ○ Misunderstanding of historical order volumes and the effect that
24 the Advanced Meter Infrastructure and the COVID-19 pandemic
25 had on the various order types.
 - 26 ○ Failure to understand the importance of replacing the 30-year-old
27 PACER WFM mainframe that can no longer support the changing
28 business needs, regulatory requirements, or the ability to execute
29 the CSF business processes the way operations demand.

³⁷ Ex. SCG-21-R, Ch.2 (Ballard/Exon) and Ex. SCG-21-CWP-R.

- 1 • Cal Advocates all but agrees with SoCalGas’s TY 2024 O&M forecast
2 request and Capital requests except for CSF Operations Cost Category and
3 Advanced Meter Operations Cost Category.
 - 4 ○ CSF Operations Cost Category – Cal Advocates agrees with
5 SoCalGas’s TY 2024 incremental request (\$23.097 million) and
6 incorrectly utilizes 2019 Recorded Costs (\$101.304 million) as the
7 starting point of the forecast which does not include adjustments,
8 vacation & sick, or escalation into 2021 constant dollars. Properly
9 selecting 2019 Adjusted-Recorded Costs (\$125.857 million) would
10 net a greater starting point than the BY 2021 costs (\$106.124
11 million) SoCalGas used as a starting point.
 - 12 ○ Advanced Meter Operations Cost Category – Cal Advocates agrees
13 with SoCalGas’s TY 2024 labor request (\$5.610 million) and fails
14 to recognize SoCalGas’s TY 2024 non-labor request (\$8.591
15 million) and recommends BY 2021 non-labor Recorded Costs
16 (\$4.004 million) ignoring a required MTU Warranty for
17 SoCalGas’s gas meters and future activities outlined in the direct
18 testimony.

19 These observations are discussed in more detail in the specific related rebuttal sections
20 above.

21 In summary, SoCalGas’s forecasts reflect sound judgment and represent the impact from
22 regulatory expectations to continuously provide safe, compliant, resilient, reliable, and cost-
23 effective energy infrastructure. SoCalGas requests the Commission adopt the forecasted
24 expenditures discussed in this testimony because they are prudent and reasonable estimates of
25 future requirements.

26 This concludes my prepared rebuttal testimony.
27

APPENDIX A
GLOSSARY OF TERMS

APPENDIX A
GLOSSARY OF TERMS

ACRONYM	DEFINITION
AMI	Advanced Meter Infrastructure
BY	Base Year
Cal Advocates	Public Advocates Office of the California Public Utilities Commission
CFR	Code of Federal Regulations
Commission	California Public Utility Commission
CPUC	California Public Utility Commission
CSF	Customer Services Field
CSF&AMO	Customer Services Field & Advanced Meter Operations
CSO	Customer Service Order
DCU	Data Collection Unit
Ex.	Exhibit
GRC	General Rate Case
IT	Information Technology
MSA	Meter Set Assembly
MSAI	Meter Set Assembly Inspection
MTU	Meter Transmission Unit
O&M	Operations & Maintenance
PACER	Portable Automated Centralized Electronic Retrieval System
PPE	Personal Protective Equipment
RAMP	Risk Assessment Mitigation Phase
RSE	Risk Spend Efficiency
SoCalGas	Southern California Gas Company
TURN	The Utility Reform Network
TY	Test Year
WFM	Workforce Management

Appendix B - SoCalGas Response to Data Request TURN-SEU-063

1. Starting from Ex. SCG-14-R, p. DJR-47, SoCalGas describes its capital request for PACER WFM Replacement Project.

a. Please indicate whether SoCalGas conducted a business case or cost benefit analysis for the project. If yes, please provide the analyses conducted and all supporting documentation.

SoCalGas Response 1a:

Yes. Please refer to explanation of the IT capital project approval process described in the response to Question 1b, and attachments provided in response to Question 1b.

.

Question 1-Continued

b. Please identify each level of SoCalGas management review and approval obtained for the project and associated costs, the job title of each person whose approval or review was obtained in the management approval process, and the date on which each approval was provided.

SoCalGas Response 1b:

SoCalGas objects to this request pursuant to Rule 10.1 of the Commission's Rules of Practice and Procedure on the grounds that the request is not relevant to the subject matter involved in the pending proceeding and therefore, the burden, expense and intrusiveness of this request outweighs the likelihood that the information sought will lead to the discovery of relevant and admissible evidence. In particular, this request seeks information regarding each person whose approval or review was obtained in the management approval process. Knowing who approved or reviewed the project and associated costs is not probative of whether the request is reasonable. Under the GRC procedures, the process allows the company to sponsor a witness to answer questions about the project request and does not allow for non-sponsoring witnesses to be called in for cross-examination. Therefore, each person who approved and reviewed the project and associated costs is not relevant and has no probative value. Notwithstanding the foregoing objection, SoCalGas responds as follows:

The following information lays out the SoCalGas capital planning process and provides more details on the Agile methodology, which informs the specific responses contained herein. The response and supporting documents provided in this data request were provided by the IT Capital Witness (Ex. SCG-21, Ch.2).

Before an IT capital project is funded and moves into development, it must go through SoCalGas's IT capital project approval process, and is referenced in SoCalGas's Rate Base testimony of Patrick D. Moersen (Ex. SCG-31-2R, paged PDM-2 and PDM-3), and has the following distinct stages as described in SoCalGas Testimony of Tia L. Ballard and William J. Exon (Ex. SCG-21, pages TLB/WJE-24 and TLB/WJE-25):

1. IT Division Capital Plan Development: In this stage a proposed set of capital projects for the upcoming year are identified. IT and business unit teams develop a project Concept that is used to prioritize and approve projects to move to Business Case development.
2. Concepts: Concepts are high-level assessments developed for review during the capital planning process.

SoCalGas Response 1b:

3. Project Prioritization and Approval: In this stage the concepts are prioritized through a ranking process, which occurs annually. Concepts are reviewed and scored by a Council that is pre-selected and is representative of both business and technology groups. After scoring, all projects are prioritized and ranked. A recommended list of concepts is then reviewed with Directors and Vice Presidents (VPs) for approval. The approvers include but are not limited to: Director of Customer Contact Centers, Director of Customer Operations, Director of Customer Service Staff & Continuous Improvement, Director of Gas Control & Systems Planning, Director of Remittance, Director of Strategic Communication & Engagement, Director of Vista Program, and Director of Customer Legacy Systems. The Vice Presidents include but are not limited to: VP of Communications, LD Government & Comm. Affairs, VP of Customer Services, Vice President of Transmission & Storage, and VP of Customer Solutions, and Senior VP of System & Technology & Chief Diversity Officer of Administration and Diversity. The final list of proposed projects is sent to the Capital Planning Committee (CPC) for review, approval and submission to the Executive Finance Committee (EFC). The capital planning committee allocates budgets to the IT portfolio for each business unit.

4. Business Case: In this stage, a business case for the approved concepts is developed jointly by the IT department and the sponsoring business department. Business and IT project sponsors approve business cases before they are reviewed or approved by the Portfolio Governance Committee (PGC). The Business and IT projects sponsors include: Director of Customer Operations, Director of Customer Contact Center, Director of IT Call Center Applications and VPs are: Senior VP, Sys & Tech & Chief Diversity Officer, Vice President of Customer Service, and Senior Vice President & Chief Customer Officer - Customer Services. The PGC includes the following roles: Director of Digital Workspace & Automation, Director of Enterprise Services, Director of Digital & SoCalGas Customer, Director of Systems & Technology, Director of Innovation & End User Experience, Director of Utility Operations, Director of Network & Cyber Technology Services, Director of Customer Legacy Systems, and Director of Performance Management and Organizational Strategy. There are also proxies who attend to approve should the directors not be available. Approvals occur verbally during the meeting and are reflected on the Notes slide of the presentation, which precedes the cover slide. Approval must occur before work begins.

SoCalGas Response 1b:

5. Work Order Authorization (WOA): At the WOA stage, there are approvals for the estimated project costs from the IT Portfolio Managers, Director, and the Senior Vice President, Chief Information Officer & Chief Digital Officer. Additional approvals would be received when SoCalGas has formalized contracts for the project.

The Pacer WFM project has completed the capital approval process stages and the project is in flight. See the following attachments used to justify the business need and the approvals. There is no PGC deck due to the threshold level of funding, requiring board approval.

Please see the following documents which contain **Confidential and Protected Materials which are provided pursuant to PUC Section 583, D.21-09-020 and GO 66-D (Revision (Rev.) 2) and/or an executed Non-Disclosure Agreement for this Proceeding:**

TURN-SEU-063_ATTACH_1B_1 CONFIDENTIAL.pdf [CONCEPT DECK]

TURN-SEU-063_ATTACH_1B_1 PUBLIC.pdf [CONCEPT DECK]

TURN-SEU-063_ATTACH_1B_2 CONFIDENTIAL.pdf [BOARD APPROVAL DECK]

TURN-SEU-063_ATTACH_1B_2 PUBLIC.pdf [BOARD APPROVAL DECK]

TURN-SEU-063_ATTACH_1B_3 CONFIDENTIAL.pdf [WOA]

TURN-SEU-063_ATTACH_1B_3 PUBLIC.pdf [WOA]

TURN-SEU-063_ATTACH_1B_4 CONFIDENTIAL.pdf [BOARD APPROVAL SECRETARY]

TURN-SEU-063_ATTACH_1B_4 PUBLIC.pdf [BOARD APPROVAL SECRETARY]

SoCalGas Response 1b:

SoCalGas qualifies that an identified project may not commence execution or achieve completion or may be deferred for various reasons after a Business Case has been approved. Those reasons include, but are not limited to, other competing business priorities, system vulnerabilities, scope changes, internal and vendor resources availability, and management discretion. In addition, submitted budget documentation to the PGC and in the WOA is different from the GRC request as the financial computations included in the attachments and the GRC forecasts in this proceeding are not calculated the same. GRC capital requests include labor and non-labor in direct dollars, and GRC Vacation and Sick (V&S) on internal labor only. The WOA forms include, but are not limited to; directs, indirects, overheads and AFUDC.

Question 1-Continued

c. Please provide all presentations provided to management during meetings and emails to SoCalGas management in the course of obtaining management approval for the project and associated costs. Please make sure the presentations are full and complete decks, and the emails provided are complete.

SoCalGas Response 1c:

SoCalGas objects to this request on the grounds that the request for “all presentations” and “emails” is overly broad and unduly burdensome and vague and ambiguous as to time. Subject to and without waiving the forgoing objection, SoCalGas responds as follows:

Please refer to explanation of the IT capital project approval process described in response to Question 1b, and attachments provided in response to Question 1b.



DJR-B-8

vista
**PACER WFM
REPLACEMENT
BUSINESS CASE -
VP APPROVAL**

May 12, 2022



Description	Page #s
Executive Summary - Brief	3
Executive Summary	4
Estimated Schedule & Costs	5
Project Scope & Exclusions	6
PACER WFM Replacement Solution at a Glance	7
Project Operational Impacts	8
Vista WFM Value Case Summary	9
WFM Potential Benefits By Year	10
Programs Risks and Mitigations	11
Conceptual Architecture - Applications	12
Implementation Program Timeline	13 - 14
Appendix A: Requirements	16
Appendix B: Financials	17
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► Background

- SoCalGas' Customer Service Field workforce management system (PACER WFM) is a custom-built work order management system that is used by SCG's Customer Services Dispatch & Field Operations to issue and manage work orders. It is a mission critical application that is essential to maintaining customer field service operations, nearly 2800 field and office users company-wide.
- PACER WFM was initially deployed in 1991 and converted paper orders to an electronic platform. Over the past 31 years, the system has been enhanced to add technical capabilities and allow the application to accommodate changing business and regulatory needs, but the core business processes have not been significantly redesigned.
- The PACER WFM application is well beyond the typical life expectancy of most business applications. System inflexibilities make business and regulatory changes are difficult, costly, and slow to implement and hinder delivery of business and technology improvements.

► Potential Cumulative 15-year Benefits (2026-2040)

- Legacy Systems Cost = \$28M
- Avoided Future Project Spend = \$29M
- Operational Efficiencies = \$119M

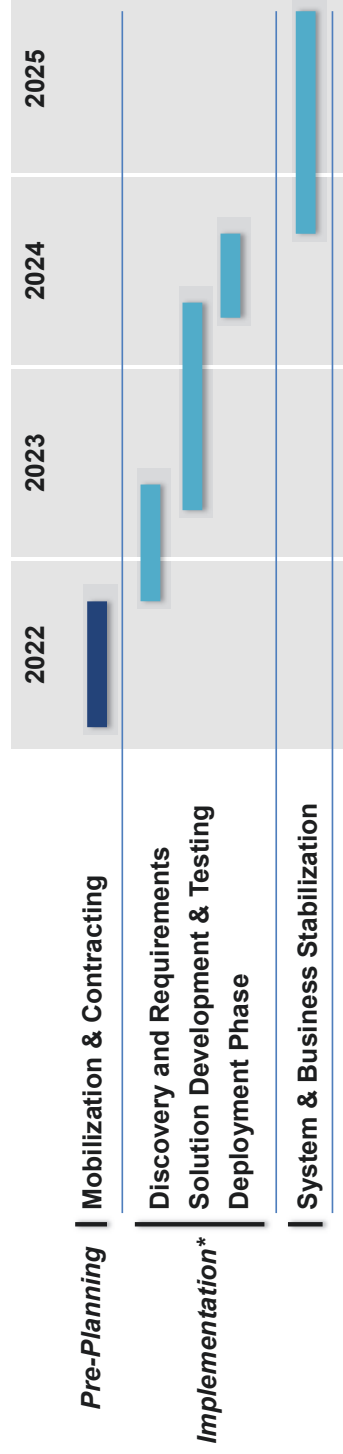
► Costs

- Capital: \$48M O&M: \$10M
- The project costs are included in the CSPEx 5-year capital plan and current outlook. Propose partial funding via CSPEx and IT Enterprise.

► Timeline

- Project Launch Q4 2022 – Projected End Q4 2024

Project Name	PACER WFM Replacement		Project ID	
IT Project Manager	TBD	IT Portfolio Manager	IT Director Sponsor	[REDACTED]
Business Project Manager	TBD	Business Director Sponsor	Business VP Sponsor	Jennifer Walker
Current State	<p>Workforce Management (WFM) is the heartbeat of Customer Services Field (CSF) operations driving what field work can be done, by whom and when. SoCalGas CSF is still on its first generation WFM solution, PACER, from 1991. Utilities have been using WFM solutions since the late 1980's, most Utilities are now on their third generation of WFM looking at upgrading to their fourth with more advanced planning, automation and schedule optimization capabilities. The custom PACER WFM has supported the business and customers satisfactorily over the last three decades. The Gas business has changed over that time. Looking forward, PACER WFM cannot support the changing business needs, regulatory requirements, or the ability to execute the CSF business processes the way operations is demanding.</p>			
Project Description	<p>Retire CSF's 30-year-old legacy PACER WFM mainframe and suite of custom applications and extend the cloud-based solution from [REDACTED] to support Capacity Planning, Resource Management, Order Scheduling, Appointment Booking, Order Routing and Dispatch. The new WFM solution will connect into the recently deployed PACER Mobile solution for the field. Along with the technical systems work this program will work with CSF Operations to evaluate, recommend and implement key business and organizational changes that will be required to enable the delivery. The broader program will include business, technical and data readiness along with program management, organizational change management and value realization tracking. This project represents the first phase of the Vista Program, in advance of the CIS replacement.</p>			
Regulatory Mandates	<p>CSF Operations sees frequent regulatory requests that need to be implemented, for example Atmospheric Corrosion Inspections, that require planning, scheduling and dispatch changes or adjustments that PACER struggles to support due to the technical debt of a 30-year-old mainframe-based solution. This program and the solution it will deploy will enable these types of regulatory requests in much more timely and cost-efficient manner.</p>			
Potential Business Benefits	<p>Potential Benefits identified include; retiring Legacy Applications, Avoided Future Project Spend, and Operational Efficiencies with Automation in Planning, Work and Resource Management, Dispatch and Routing, [REDACTED] Reduce Technician Travel Time, Reduction in Field Overtime, and Enhanced fielded order bundling.</p>			



* Implementation timeline to be confirmed during Pre-Planning

Cost Type	Capital (\$MM)	O&M (\$MM)	Total (\$MM)
WFM – Loaded Costs (w/ AFUDC)	\$48	\$10	\$58
Total Costs (Capital & O&M)	2022	2023	2024
Labor (internal & vendor)	\$4	\$16	\$14
Hardware & Software	\$0.4	\$1.1	\$1
Other Costs	\$0.3	\$1.2	\$0.5
Loaders (capital only)	\$1	\$5.2	\$4.8
AFUDC	\$0.3	\$1.7	\$1.5
Contingency (10%)	\$0.3	\$3	\$2
Total	\$6	\$28	\$24

In-Scope

- Enable Customer Services Field Operations with [REDACTED] Planning and Scheduling Optimization [REDACTED] and Mobile Workforce Management (MWM) Workspace expanding the existing PACER Mobile Field solution
- Enable scheduling, optimization, dispatch, and resource management for CSF dispatch and supporting CSF field organization
- Support CSF Operations in the development and implementation of a new Dispatch organizational model
- Support CSF Operations in designing options for WFM key business changes
- Initial integration will be to Legacy CIS & DART using PACER as a pass-through
- Expand the [REDACTED] solution to the AWS cloud
- Integration of Routesmart remains connected to legacy CIS for MSAI order routing creation. The super-order processes in PACER will be eliminated and expanded in [REDACTED] Workspace
- Integrate with other SCG systems as required to support identified functions
- Support Business, Technical and Data Readiness activities
- Mobilize and Execute Program Management Office, for governance and alignment with the Vista Program Office
- Enable and Execute Organization Change Management
- Support value realization tracking

Outside of Assumed Scope & Estimate

- Replacement of current Mobile Device Mgmt. (MDM) solutions [REDACTED]
- Replacement of the current [REDACTED] enterprise integration solution (Analysis in-scope)
- Refresh of the field mobile devices, (iPhones and Laptops)
- Replacement of DART or a reporting or analytics solution
- Integration of [REDACTED] CIS
- Development of significant net new mobile workflows in [REDACTED] (WorkBook)
- Data Conversion of historical PACER data (historical data will remain in PACER for archival purposes)

Replace Customer Services Field's (CSF) 30-year-old legacy PACER WFM mainframe with a modern cloud-based solution from [redacted] supporting Capacity Planning, Resource Management, Order Scheduling, Appointment Booking, Order Routing and Dispatch. Workforce Management (WFM) is the heartbeat of Customer Service Field operations driving what field work can be done, by whom and when.

Consolidated View of Field Work Threads

Customer Orders

- Real-time availability & appointment updates

All other company generated workstreams, i.e.

- MSAI/RouteSmart
- Periodic Meter Changes (PMCs)
- Network Operations Orders
- Regulator Orders

GasOps (Opus)

- Visibility
- Field Assist Orders



Planning

Planning Scheduling and Optimization & [redacted]

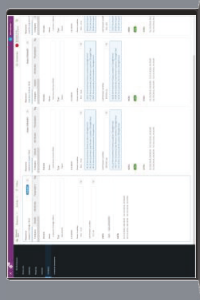
- W&RM Modeling
- Demand Modeling
- What-If Analysis



Optimization

[redacted]

- Business Rules & Constraints
- Business Goals & SLAs
- Automation



Schedule & Dispatch

MWM Workspace

- Routing & Assignment
- Dispatch Exceptions
- Emergency Order Processing



Mobile*

Workbook

- Orders & Routes
- Time Sheets
- Navigation



* Mobile successfully delivered with PACER Mobile

Resource Management & Availability



Initiation of Work

Potential Benefit Category Details

Potential 15-Yr Benefit (\$M)	Examples	Sources	Notes
\$ 28	<ul style="list-style-type: none"> PACER 	<ul style="list-style-type: none"> Historical SCG operating costs SCG Business Input 	<ul style="list-style-type: none"> Avoided O&M costs from systems identified through dispositioning assessment Nominal costs include all O&M labor and non-labor costs. Benefits from avoided capital expenditure is captured in the "Avoided Future Project Spend"
\$ 27	<ul style="list-style-type: none"> Capital Project Implementation Efficiencies 	<ul style="list-style-type: none"> SCG Capital Project Planning SCG Business Input 	<ul style="list-style-type: none"> Capital projects that will likely be absorbed into the scope of Vista and decreased future project spend due to IT efficiencies Benefit is primarily driven by cost avoidance of future capital projects required to maintain system resilience and future project efficiency gains
\$ 119	<ul style="list-style-type: none"> Dispatch Activities Field Overtime IT Support 	<ul style="list-style-type: none"> Historical SCG operating costs SCG Business Input Benchmarking Assumptions 	<ul style="list-style-type: none"> Business operational efficiencies comprise the majority of PACER replacement benefits Workforce management solutions optimize the dispatch and performance of current activities and can be more easily quantified with current data Given the large amount of field work conducted, minor labor efficiencies translate to significant benefits

*Realization of potential benefits anticipated to begin in 2026. This includes one year of stabilization through 2025 and following implementation in 2024

DJR-B-16

Benefit Category By Year

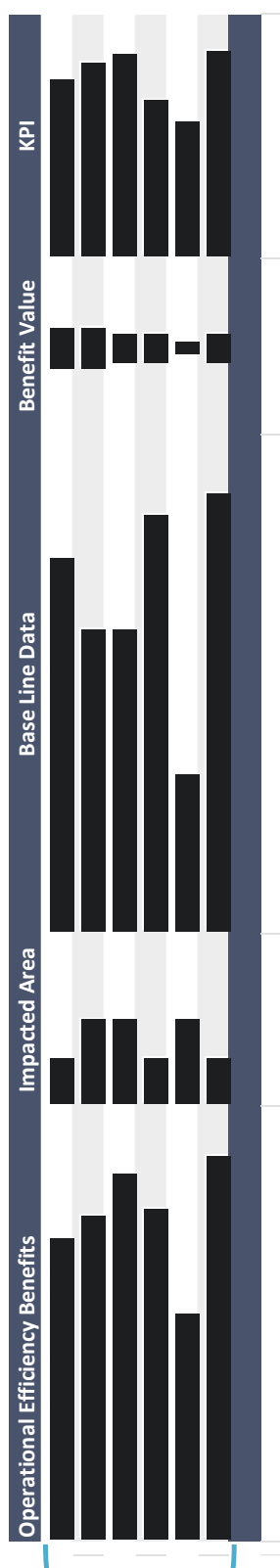
PACER WFM Replacement Benefit Summary by Year Category	Project Implementation		Benefit Years															Total						
	2022	2023	2024	2025	2026	1 - Ramp Up	2	3	4	5	6	7	8	9	10	11	12		13	14	15			
Legacy Applications	\$ -	\$ -	\$ -	\$ -	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200	\$ 1,843,200		
Avoided Future Project Spend	\$ -	\$ -	\$ -	\$ -	\$ 2,623,043	\$ 1,588,750	\$ 1,628,469	\$ 1,753,683	\$ 1,710,910	\$ 1,753,683	\$ 1,797,925	\$ 1,842,463	\$ 1,888,524	\$ 1,935,738	\$ 1,984,131	\$ 2,033,734	\$ 2,084,578	\$ 2,136,692	\$ 2,190,109	\$ 2,244,737	\$ 2,299,347	\$ 2,354,961	\$ 2,410,575	
Operational Efficiencies	\$ -	\$ -	\$ -	\$ -	\$ 2,677,285	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	\$ 8,299,347	
Total	\$ -	\$ -	\$ -	\$ -	\$ 7,143,529	\$ 11,731,297	\$ 11,771,015	\$ 11,831,727	\$ 11,853,457	\$ 11,896,229	\$ 11,940,072	\$ 11,985,010	\$ 12,031,071	\$ 12,078,284	\$ 12,126,678	\$ 12,176,381	\$ 12,227,124	\$ 12,279,239	\$ 12,332,856	\$ 12,386,973	\$ 12,441,590	\$ 12,496,707	\$ 12,552,324	\$ 12,608,441

Operational Efficiency Benefit By Year

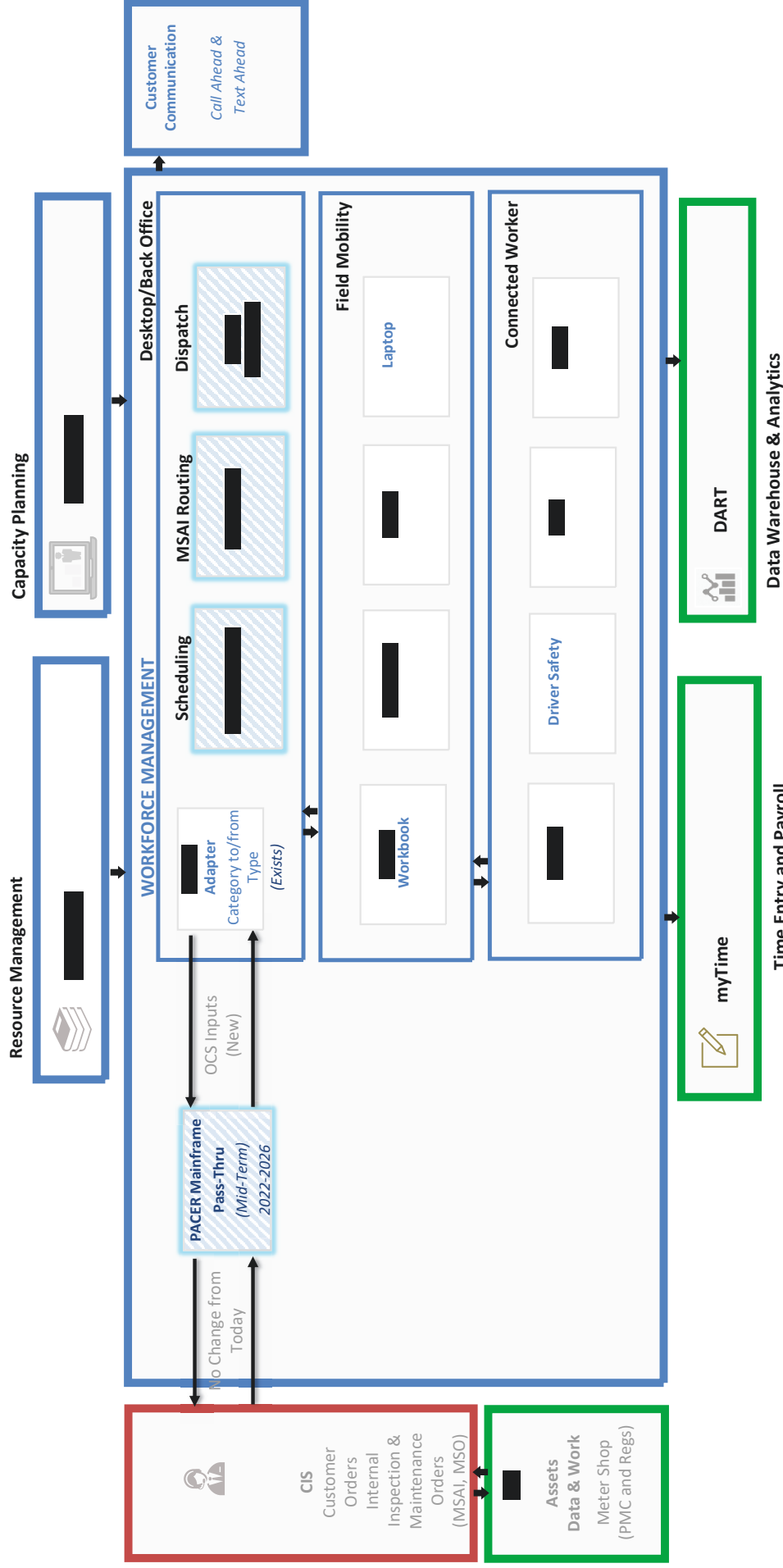
PACER WFM Replacement Benefit Summary by Year Category	Project Implementation		Benefit Years															Total					
	2022	2023	2024	2025	2026	1 - Ramp Up	2	3	4	5	6	7	8	9	10	11	12		13	14	15		
Legacy Applications	\$ -	\$ -	\$ -	\$ -	\$ 538,987	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935	\$ 2,694,935
Avoided Future Project Spend	\$ -	\$ -	\$ -	\$ -	\$ 647,770	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849	\$ 3,238,849
Operational Efficiencies	\$ -	\$ -	\$ -	\$ -	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770	\$ 647,770
Total	\$ -	\$ -	\$ -	\$ -	\$ 1,234,527	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554	\$ 6,581,554

2025 stabilization, 20% benefit in 2026, full benefit 2027 through 2040

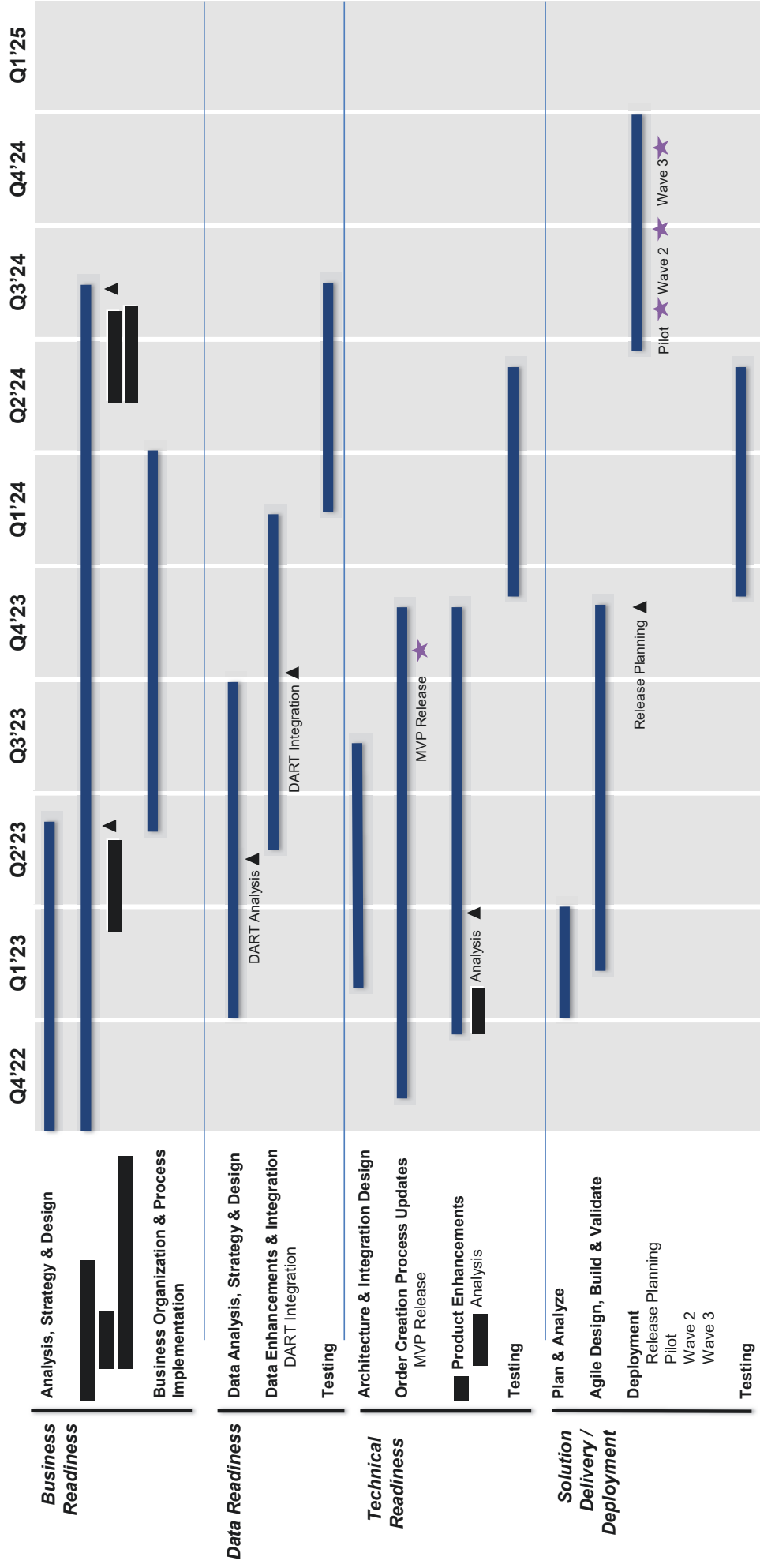
Operational Efficiency Benefit Details



Key Risks	Mitigation Approach
<p>[Redacted]</p>	<p>[Redacted]</p>
<p>[Redacted]</p>	<p>[Redacted]</p>
<p>[Redacted]</p>	<p>[Redacted]</p>
<p>[Redacted]</p>	<p>[Redacted]</p>
<p>Company generated workstreams, and order initiation process are inconsistent, informal, and complex, resulting in an unknown clean-up, data or process enhancement requirements</p>	<p>Executing pre-planning and discovery phase including looking at company generated workstreams for implementation and design impacts to the delivery</p>
<p>PACER Mobile is a production solution that several WFM Core team members help support. Potential project disruption if a major production issue arises (unplanned outages)</p>	<p>Team is evaluating a longer-term support model for PACER Mobile</p>
<p>Due to breath of scope of the PACER WFM Replacement effort, other dependent or impacted initiatives are, and likely to arise over the duration of the program</p>	<p>We are working with the CS Operations and IT Directors to maintain awareness of other dependent efforts. Will work with the Vista PMO to maintain tracking and awareness of each initiative</p>
<p>Scarce [Redacted] Implementation Resources - Prospective customers should plan for the possibility that the implementation resources of [Redacted] and its partners may be scarce. Implementation costs may be relatively high and difficult to predict.</p>	<p>Ensure [Redacted] resources for PACER Phase 2 are assigned to PACER WFM Replacement project and request top tier [Redacted] resources for SCG PSO engagement contract</p>
<p>SCG will be among the first Utilities to implement both the IFS MWM – Office and MWM Mobile with the [Redacted] Planning, Scheduling and Optimization [Redacted] end-to-end solution. Post integration because of the [Redacted] acquisition</p>	<p>Planning is underway to address, and prove, the integration of both [Redacted] MWM and [Redacted] and in pre-planning providing a POC of the [Redacted] platform capabilities and scalability. We will have specific governance & strategic partnership relationship and alignment around this new integration with [Redacted]</p>
<p>Key SCG resource skills, Program and WFM expertise, experience, and availability remains a risk.</p>	<p>The program leadership team is preparing to recommend augmented resources, through vendor partners, consultants and leveraging existing SCG employees to apply for stretch assignment opportunities.</p>

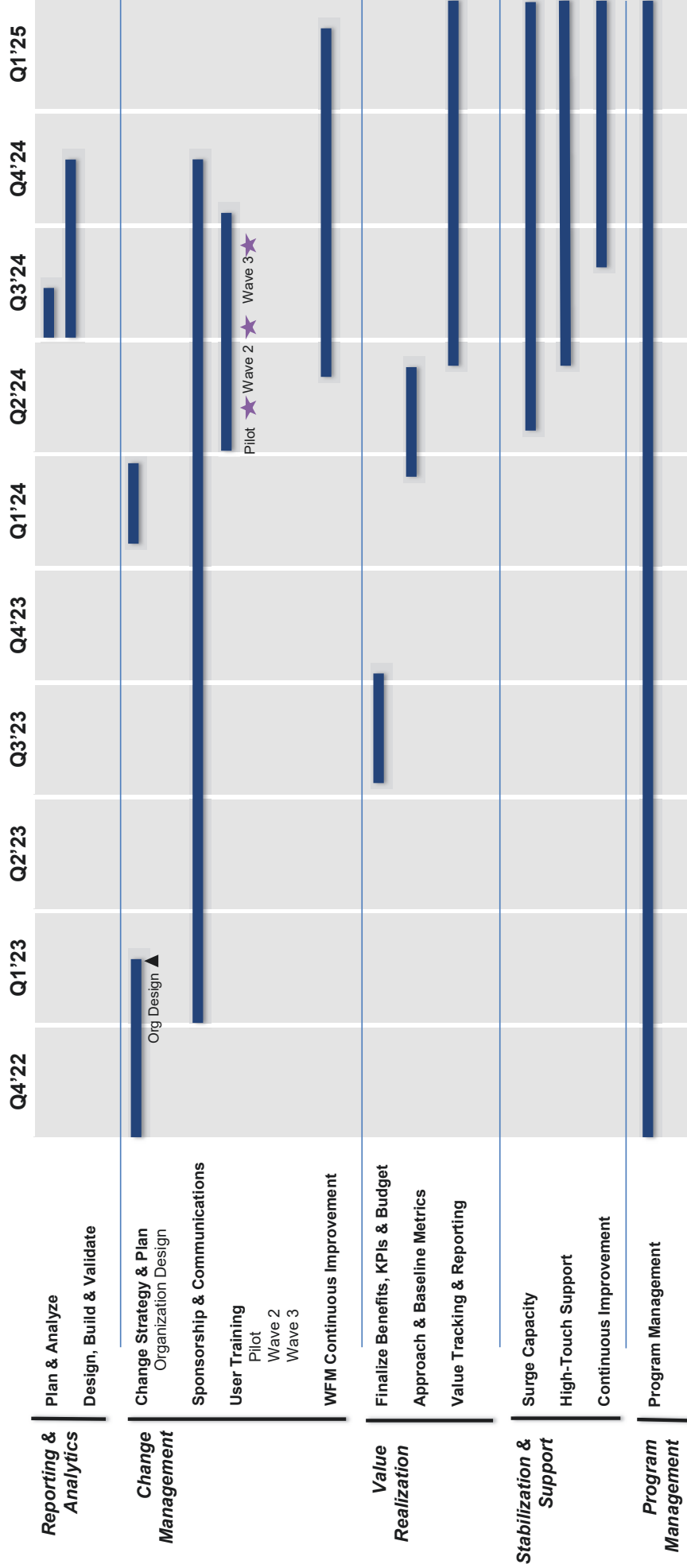


Implementation Project Timeline (draft)



DJR-B-20

Implementation Project Timeline (draft)



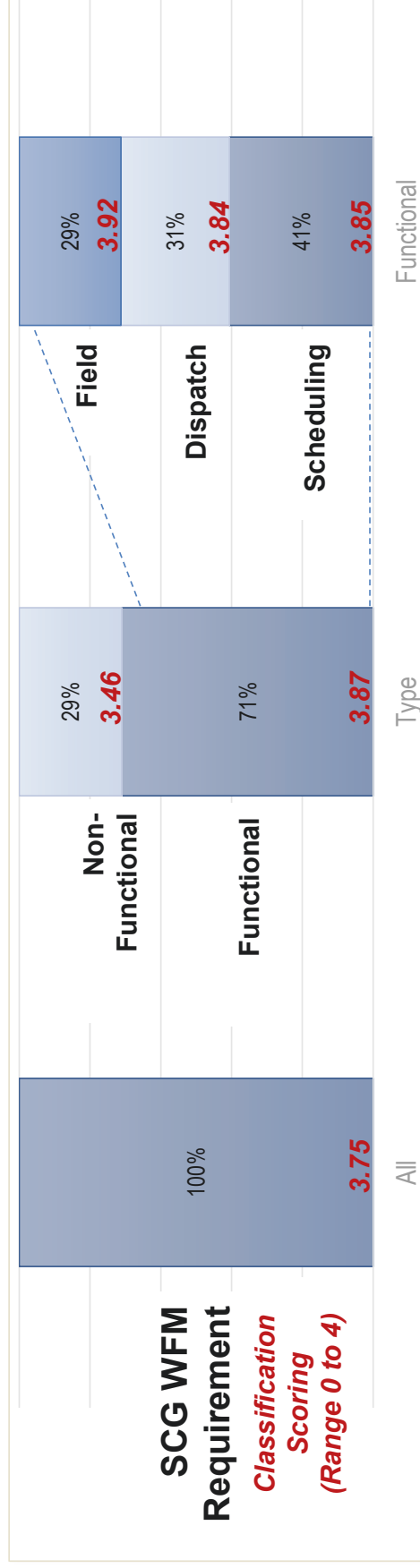
Appendix

DJR-B-22

High-Level Assessment of IFS/Clevest to SCG CSF Requirements

WMW & [redacted] solutions align well to the detailed (306) SoCalGas CSF WFM requirements

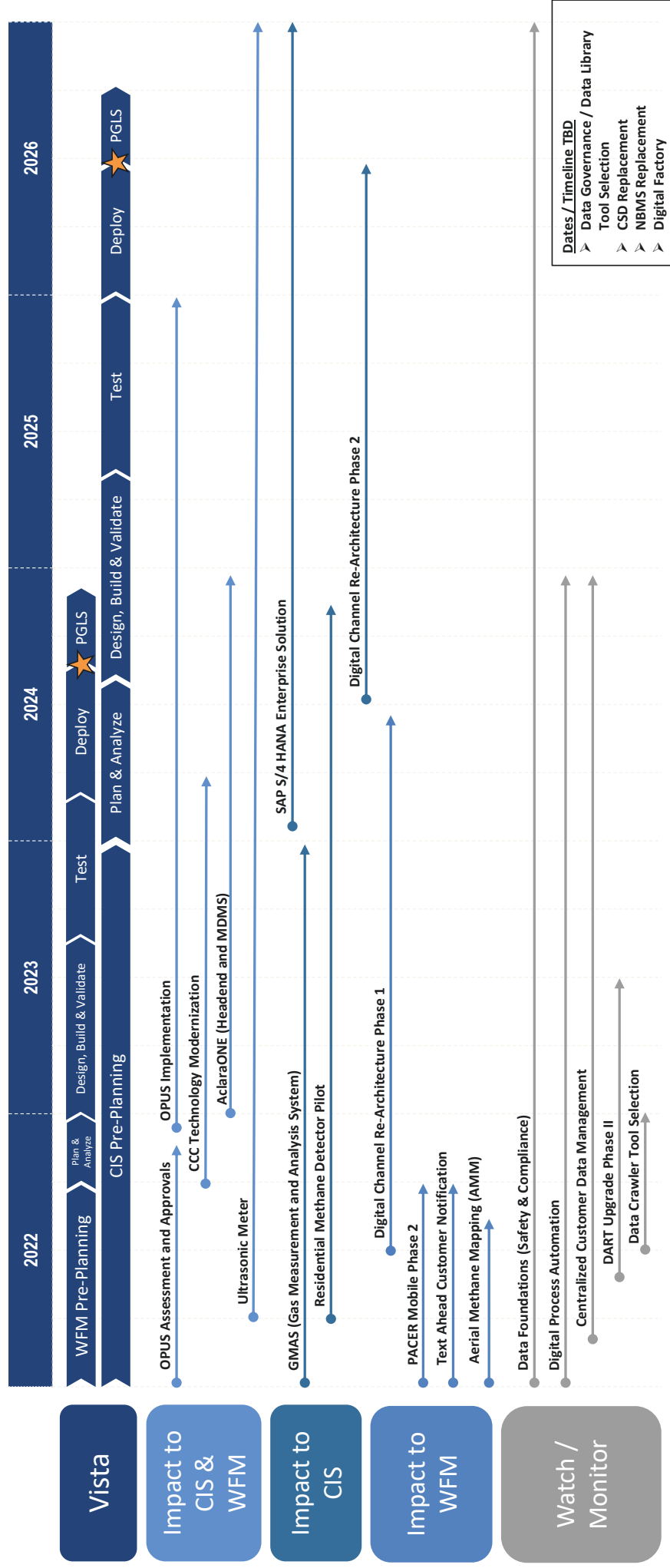
- 94% of all requirements are a fit including all critical requirements and all high functional requirements
- 92% of all requirements are covered **Out of the Box with software configuration**
- 16 requirement gaps are lower priority requirements assessed as low impact to meeting WFM goals



Project Costs		Project Capital - On-premise SW/HW* (Rounded in Thousands)		Project Capital - SaaS/IaaS/PaaS Implementation (Rounded in Thousands)						
	(Loaded)	(Unloaded)	(Loaded)	(Unloaded)	(Unloaded)					
Internal Labor	\$0	\$0	\$0	\$20,019	\$11,125					
Contract Labor	\$0	\$0	\$0	\$0	\$0					
Hardware	\$0	\$0	\$0	\$56	\$55					
Software & SW Maintenance	\$0	\$0	\$0	\$214	\$212					
Vendor Services	\$0	\$0	\$0	\$20,096	\$19,956					
Other (Incidentals)	\$0	\$0	\$0	\$1,328	\$1,328					
Administrative & General Loader	\$0	N/A	N/A	\$1,858	N/A					
Subtotal Estimate	\$0	\$0	\$0	\$43,571	\$32,676					
AFUDC	\$4,029	Start Date: 6/1/22	Completion Date: 11/30/24							
Capital Total Estimate + AFUDC	\$4,029	\$47,600	In Service Date: 11/1/24	Payback Calc (in yrs): 6.1						
Project Totals		Project O&M*** (Rounded in Thousands)		SaaS/IaaS/PaaS Subscription Cost** (Rounded in Thousands)						
	(Loaded)	(Unloaded)	(Loaded)	(Unloaded)	(Unloaded)					
Internal Labor		\$1,678			\$0					
Contract Labor		\$0			\$0					
Hardware Maintenance		\$575			\$0					
Software & SW Maintenance	N/A	\$0	N/A		\$1,967					
Vendor Services		\$5,340			\$0					
Other (Incidentals)		\$836			\$0					
Administrative & General Loader		N/A			N/A					
Subtotal Estimate	\$0	\$8,429	\$0	\$0	\$1,967					
Annual Totals (Rounded in Thousands)		2022	2023	2024	2025	2026	2027	2028	Remaining Years Total	Total
Project O&M (Unloaded+Contingency, no A&G, no AFUDC)		\$271	\$814	\$882	\$0	\$0	\$0	\$0	\$0	\$1,967
Project Capital (Loaded+A&G+Contingency, no AFUDC)		\$930	\$3,809	\$3,690	\$0	\$0	\$0	\$0	\$0	\$8,429
Self Dev Software (Loaded+A&G+Contingency, no AFUDC)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Project Capital (Loaded+A&G, no contingency, no AFUDC)		\$4,828	\$19,177	\$15,605	\$0	\$0	\$0	\$0	\$0	\$39,610
Capital Contingency (Loaded, no AFUDC)		\$483	\$1,918	\$1,561	\$0	\$0	\$0	\$0	\$0	\$3,961
Capital Contingency % (as a % of Project Capital)		10.00%	10.00%	10.00%	0.00%	0.00%	0.00%	0.00%	0.00%	10.00%
Project Capital + Capital Contingency Total		\$5,311	\$21,095	\$17,166	\$0	\$0	\$0	\$0	\$0	\$43,571

Post Project Annual Hard / Avoided Cost Benefits and O&M Cost		Functional Area / Cost Center(s) \$		2024	2025	2026	2027	2028	No O&M or Benefit Est.	Total
Annual Totals (Rounded in Thousands)										
O&M Cost (Unloaded, no A&G, no AFUDC)	Business	Labor xxx-xxx-SK		\$0	\$0	\$0	\$0	\$0	\$0	\$0
		Non Labor 2200-0343		\$79	\$950	\$950	\$950	\$950	\$0	\$3,879
	IT	NL - Other		\$0	\$0	\$0	\$0	\$0	\$0	\$0
				\$0	\$0	\$0	\$0	\$0	\$0	\$0
										DJR-B-24\$0

Financial Estimation Template Executive Summary				Version 5.4	
Project Name: PACER WFM REPLACEMENT PROJECT		Prepared By: Alberto Rayas			
Funding, Loaders & Contingency		Loader Scenario:		SCG	SDGE
Primary Funding Source:		CPUC GRC	SCG	Total Costs:	
		SDGE	0%	Labor Loader:	
		SCG	100%	Non-Labor Loader:	
Asset Allocation:		Corp	0%	Admin & General Loader:	
		Total	100%	AFUDC:	



Note: Timelines for pending projects are tentative

Product Lifecycle Approval Matrix							
Organization/Role	Product Phase						
	Concept	Business Case	Requmts.	Design	Construct /Build	Test / Production Implementation	Production STORM Exit (Review)
Approvals Required							
* Business VP Sponsor		Jennifer Walker					
Business Director Sponsor(s)							
* IT VP		Jeff Walker					
IT Director Owner							
IT Director PMO		Vista PMO				Vista PMO	
Business Functional Manager(s)							
IT Production Support Line Manager(s)							
Review / Contribute							
Business Program Manager (Vista)							
Business Functional Manager(s)							
IT Program Manager (Vista)							
Business Planning & Budgets Manager							
IT Architect(s)							
ITQA Manager							
IT Production Support Line Manager(s)							
Disaster Recovery IT Lead							
Information Security Manager							
Customer Privacy Manager							



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WORK ORDER AUTHORIZATION

Project Information

Request Number: 23167			Status: Completed
Date Prepared: 6/8/2022	Preparer: [REDACTED]	Start Date: 9/1/2022	Estimated Completion Date (ECD): 11/1/2024
Project Name: Vista WFM PACER Replacement	Company Code: 2200 - SCG	Project Type: Both (Capital & O&M)	Budget Code: 774
Billing Code: NC - Non-Collectible	Organization: Gas Distribution	Business Unit/Functional Area: Information Technology (IT)	
Responsible Cost Center: 2200-0332 - CORPORATE BUDGETS	Work Order Type: Work Order Authorization - WOA	Project Manager/First Level Approver: [REDACTED]	
Operating Area/District: HDQ - HEADQUARTERS	Operating Region: 39 - SCG Headquarters	City: LOS ANGELES	County: LOS ANGELES
SEU Approval Policy: Category 1 (Base Business)	Phase: N/A	Prelim Eng Survey: No	Regulatory Program:
Affiliate Support Required?: Yes	Additional Users to be notified:		

Job Scope Summary

Retire CSF's 30-year-old legacy PACER WFM mainframe and suite of custom applications and extend the cloud-based solution from [REDACTED] to support Capacity Planning, Resource Management, Order Scheduling, Appointment Booking, Order Routing and Dispatch. The new WFM solution will connect into the recently deployed PACER Mobile solution for the field. Along with the technical systems work this program will work with CSF Operations to evaluate, recommend and implement key business and organizational changes that will be required to enable the delivery. The broader program will include business, technical and data readiness along with program management, organizational change management and value realization tracking. This project represents the first phase of the Vista Program, in advance of the CIS replacement.

Detailed Description of Work

Code	Detailed Description of Work
New Installation - I	<p>Enable Customer Services Field Operations with [REDACTED] Planning and Scheduling Optimization and Mobile Workforce Management (MWM) Workspace expanding the existing PACER Mobile Field solution</p> <p>Enable scheduling, optimization, dispatch, and resource management for CSF dispatch and supporting CSF field organization</p> <p>Support CSF Operations in the development and implementation of a new Dispatch organizational model</p> <p>Support CSF Operations in designing options for WFM key business changes Initial integration will be to Legacy CIS & DART using PACER as a pass-through</p> <p>Expand the [REDACTED] solution to the [REDACTED] cloud</p> <p>Integration of Routesmart remains connected to legacy CIS for MSAI order routing creation. The super-order processes in PACER will be eliminated and expanded in [REDACTED] Workspace</p> <p>Integrate with other SCG systems as required to support identified functions Support Business, Technical and Data Readiness activities</p> <p>Mobilize and Execute Program Management Office, for governance and alignment with the Vista Program Office</p> <p>Enable and Execute Organization Change Management</p> <p>Support value realization tracking</p>
O&M - O	Organizational Change Management, Training, Cloud Subscription, Cloud Consumption,

FERC Account Information

FERC Account	Capital Install	Capital Removal	O&M
303.10	100	0	0
F923000G	0	0	100
146.20			
146.21			
146.24			
146.22			
Total % 100		0	100

Order Information

Order No. Suffix	SAP Des.	Budget Code	CCTr	Work Order Type	Extenal Order Number	Internal Order
000	Vista WFM PACER Replacement PARENT	774	2200-0332	SG05	B89116	300824353
002	Vista WFM PACER Replacement HW CAP SG05	774	2200-0332	SG05	B89116	300824354
402	Vista WFM PACER Replacement HW CAP SG41	774	2200-0332	SG41	B89116	300824355
004	Vista WFM PACER Replacement SW IMPL SG05	774	2200-0332	SG05	B89116	300824356
104	Vista WFM PACER Replace SW IMPL O&M SG41	774	2200-0332	SG41	B89116	300824357
404	Vista WFM PACER Replace SW IMPL CAP SG41	774	2200-0332	SG41	B89116	300824358
005	Vista WFM PACER Replace SW IMPL SME SG05	774	2200-0332	SG05	B89116	300824359
105	Vista WFM PACER REP SW IMPL SME O&M SG41	774	2200-0332	SG41	B89116	300824360
405	Vista WFM PACER REP SW IMPL SME CAP SG41	774	2200-0332	SG41	B89116	300824361
006	Vista WFM PACER Replacement O&M SG10	774	2200-0332	SG10	B89116	300824362
106	Vista WFM PACER Replacement O&M SG41	774	2200-0332	SG41	B89116	300824363

Estimate Sub Totals

GROSS ESTIMATED CAPITAL INSTALLATION COSTS	GROSS ESTIMATED CAPITAL REMOVAL COSTS	GROSS ESTIMATED O&M COSTS	TOTAL NET ESTIMATED COSTS (Incl. ITCCA & Less Billing)
\$47,729,599.50	\$0.00	\$11,827,650.00	\$59,999,029.50

Affiliate Information

Affiliate Cost Company:	SDGE	Affiliate Project Manager:	██████████
Company:	2100 - SDGE		
Request Information from Affiliate Project Manager?:	No		
Sending Cost Center:	2100-3900		
Is the sender allocated to multiple receivers?:	No	Sending IO Order Type:	S036
Sending IO Number:	000007148536, 000007148537, 000007148538, 000007148539	Created By:	██████████
Parent Order Number:	PAB0373	DPSS Number:	AB0373

Estimated Costs

<u>ESTIMATED COSTS</u>	<u>CAPITAL INSTALLATION (\$)</u>	<u>CAPITAL REMOVAL (\$)</u>	<u>O&M (\$)</u>	<u>AFFILIATE COST SDGE (\$)</u>	<u>TOTAL (\$)</u>
Company Labor:	\$10,900,000.00	\$0.00	\$1,678,000.00	\$200,000.00	\$12,778,000.00
Contract Costs:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Material:	\$55,000.00	\$0.00	\$575,000.00	\$0.00	\$630,000.00
Other Direct Charges:	\$21,168,000.00	\$0.00	\$7,435,000.00	\$0.00	\$28,603,000.00
TOTAL DIRECT COST	\$32,123,000.00	\$0.00	\$9,688,000.00	\$200,000.00	\$42,011,000.00
<hr/>					
Company labor Indirects:	\$12,357,472.60	\$0.00	\$2,041,810.60	\$189,740.00	\$14,589,023.20
Material Indirects:	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Indirects:	\$359,040.10	\$0.00	\$97,839.40	\$52,040.00	\$508,919.50
Ad Valorem Tax (per GRC decision):	\$564,557.92				\$564,557.92
AFUDC:	\$2,325,528.88				\$2,325,528.88
TOTAL INDIRECT COST:	\$15,606,599.50	\$0.00	\$2,139,650.00	\$241,780.00	\$17,988,029.50
<hr/>					
GROSS ESTIMATED COST	\$47,729,599.50	\$0.00	\$11,827,650.00	\$441,780.00	\$59,999,029.50
ITCCA:	0%				\$0.00
Total Gross Estimated Costs:					\$59,999,029.50
Customer payments(CIAC):					\$0.00
TOTAL NET ESTIMATED COSTS:					\$59,999,029.50

Request Approval

<u>Approver Name</u>	<u>User Type</u>	<u>Approver Level</u>	<u>Approver Title</u>	<u>Approval Date</u>
██████████	Project Manager			8/16/2022 12:27 PM
██████████	Accounting User			8/16/2022 2:18 PM
██████████	Additional Reviewer			8/17/2022 2:11 PM
██████████	Legal IRC Review			8/17/2022 2:27 PM
██████████	Accounting IRC Review			8/18/2022 2:47 PM
██████████	Tax IRC Review			8/19/2022 8:29 AM
██████████	Finance IRC Review			8/17/2022 2:43 PM
██████████	Financial Review	\$250,000	Vista Workstream Mgr	8/16/2022 12:27 PM
██████████	Financial Review	\$250,000	CIS PACER Replacement Prgm Mgr	8/20/2022 9:03 AM
Walker, Jennifer	Financial Review	\$30,000,000	VP - Customer Services	8/20/2022 11:59 AM
Wright, Gillian	Financial Review	\$30,000,000	SVP & Chief Customer Officer	8/20/2022 2:54 PM
Cho, Jimmie	Financial Review	\$50,000,000	COO - SCG	8/22/2022 8:36 AM
██████████	Utility Board Review			8/23/2022 10:10 AM
██████████	Unit Estimation			8/25/2022 8:18 PM
██████████	ABC Work Order Coordinator			8/26/2022 2:03 PM
██████████	ABC Work Order Coordinator			
██████████	ABC Supervisor			8/26/2022 2:30 PM
██████████	ABC Work Order Coordinator			
██████████	ABC Work Order Coordinator			8/26/2022 3:20 PM

Request Notes				
Request Notes	Send To User	Request Action	Created By	Created Date
Change Budget code to 774	NA	Recall Request	[REDACTED]	7/29/2022
This was approved by BOD on 6/1/22.	NA		[REDACTED]	7/29/2022
Approved from a financial planning perspective.	NA	Approve	[REDACTED]	8/3/2022
Approved from Accounting Operations perspective.	NA	Approve	[REDACTED]	8/3/2022
Approved from a Tax perspective.	NA	NA	[REDACTED]	8/8/2022
Approved from a Tax perspective.	NA	Approve	[REDACTED]	8/8/2022
Per board approval on June 1, 2022	NA	Approve	[REDACTED]	8/8/2022
This WOA was approved by the SoCalGas Board on June 1, 2022.	NA	Approve	Walker, Jennifer L	8/8/2022
Financial Approval Request is approved via Email Smart Actions	NA	Approve	Wright, Gillian	8/16/2022
Total estimated cost exceeds SoCalGas Board authorized amount of \$60 million	NA	Reject	Cho, Jimmie I	8/16/2022
Total amount was adjusted to be within the \$60M level that was approved by the SCG BOD.	NA		[REDACTED]	8/16/2022
Approved from a financial planning perspective.	NA	Approve	[REDACTED]	8/17/2022
Approved from accounting ops perspective.	NA	Approve	[REDACTED]	8/18/2022
Approved from a Tax perspective.	NA	Approve	[REDACTED]	8/19/2022
Financial Approval Request is approved via Email Smart Actions	NA	Approve	[REDACTED]	8/20/2022
Note this is a Customer Services Project. SoCalGas Board approval was \$60M.	NA	Approve	Walker, Jennifer L	8/20/2022
Financial Approval Request is approved via Email Smart Actions	NA	Approve	Wright, Gillian	8/20/2022
I have confirmed that the proof of the Board Approval is attached to this WOA	NA	Approve	[REDACTED]	8/23/2022

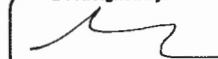
CERTIFICATE OF CORPORATE SECRETARY
OF
SOUTHERN CALIFORNIA GAS COMPANY

The undersigned hereby certifies that:

1. She is the duly elected and acting Corporate Secretary of **SOUTHERN CALIFORNIA GAS COMPANY**, a California corporation (the "*Corporation*").
2. At the Corporation's June 1, 2022 Board of Directors meeting, upon a motion duly made, seconded and carried unanimously, the Board approved authorization for expenditures of \$60 million for the workforce management system replacement phase of the Vista Customer Service System Project, substantially pursuant to the terms presented to the Board.

IN WITNESS WHEREOF, the undersigned hereunto has subscribed her name on this 6th day of June, 2022.

DocuSigned by:



Corporate Secretary